

ARRANGEMENT BETWEEN
THE CANADA BORDER SERVICES AGENCY,
PUBLIC SAFETY CANADA
AND
U.S. CUSTOMS AND BORDER PROTECTION,
DEPARTMENT OF HOMELAND SECURITY
REGARDING MUTUAL RECOGNITION
OF THEIR CUSTOMS SUPPLY CHAIN SECURITY PROGRAMS

The Canada Border Services Agency ("CBSA"), Public Safety Canada and U.S. Customs and Border Protection ("CBP"), Department of Homeland Security, hereinafter referred to as "the Participants",

CONSIDERING that a joint evaluation has concluded that CBP's Customs-Trade Partnership Against Terrorism Program ("C-TPAT") and CBSA's Partners in Protection Program ("PIP"), hereinafter referred to as the "Programs", are security initiatives that strengthen end-to-end security of the supply chain;

RECOGNISING that the Programs apply internationally recognised security standards in accordance with national laws and the standards promulgated by the World Customs Organization;

ACKNOWLEDGING the specialised nature of each country's border management processes, procedures, mechanisms and legislation governing the management of their program;

UNDERSTANDING that the integration of these Programs with other Customs-to-Customs measures contributes significantly to end-to-end supply chain security;

HAVE COME TO THE FOLLOWING UNDERSTANDING:

1. Responsible Entities

The Canada Border Services Agency ("CBSA"), Public Safety Canada, and U.S. Customs and Border Protection ("CBP"), Department of Homeland Security, are the entities that will implement this Arrangement.

2. Compatibility

For purposes of consistency, the Participants intend to:

- a) Ensure that the standards applied to each Program remain compatible with respect to the following matters:
 - i) Application process for membership;
 - ii) Assessment of membership applications; and
 - iii) Approval of membership.
- b) Ensure that both Programs operate within the context of the Customs-to-Customs Pillar of the World Customs Organization Framework of Standards to Secure and Facilitate Global Trade.

3. Mutual Recognition

- a) Each Participant intends to accept the validation and approval status granted to members of the other Participant's Program, but reserves the right to conduct its own validations of applicants or Members who are also Members of the other Participant's Program, when deemed necessary and after appropriate consultation.
- b) Once the Participants have established the compatibility of the Membership levels between their Programs, a Participant is expected to treat Members of the other Participant's Program in a manner comparable to that of its own Members.
- c) The Participants intend to maintain the ability to revoke the benefits of any Member pursuant to their respective Program procedures. The fact of the revocation by one Participant of a mutual Member should be promptly communicated to the other Participant.

4. Information Exchange and Participant Communication

- a) The Participants should achieve greater communication by:
 - i) Providing updates on their respective Program's operation and evolution, through efforts such as attendance of each Participant's C-TPAT/PIP-related training;
 - ii) Engaging in mutually beneficial information exchanges regarding supply chain security; and

- iii) Ensuring effective inter-agency communication between CBP's National Targeting Center and CBSA's Partners in Protection to enhance risk management practices with respect to participating Members' supply chain security.
- b) Information sharing activities are expected to be conducted in accordance with each Participant's domestic laws, regulations and policies.

5. Future Endeavours

- a) The Participants intend to focus their efforts on the achievement of the following mutual objectives:
 - i) Establishment of a joint business continuity mechanism between the Participants' Programs to react to disruptions in trade flow due to increases in security alert levels, border closures, and/or the occurrence of natural disasters, hazardous emergencies or other incidents of significance;
 - ii) Continued joint site validations, as necessary, to ensure that the objectives of this Arrangement continue to be met; and
 - iii) Expansion of program membership through the reciprocal promotion of program benefits achieved through mutual recognition.

6. Modification

This Arrangement may only be modified by the written consent of both Participants.

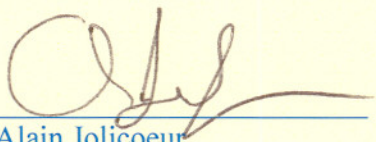
7. Status of Arrangement

- a) This document represents an understanding and cooperative Arrangement between the Participants and does not create rights and obligations binding under international law or the law of any other jurisdiction, nor does it create or confer any right, privilege, or benefit on any person or party, private or public.
- b) All activities of each Participant under this Arrangement should be carried out in accordance with the laws and regulations of that Participant's country, as well as applicable international agreements to which that Participant is a party.
- c) The provisions of this Arrangement are not intended to prevent either Participant from cooperating and from granting assistance in accordance with the provisions of applicable international treaties and agreements, national laws and practices.

8. Entry into effect and termination

- a) This Arrangement is expected to take effect upon signature of the Participants.
- b) Either Participant may terminate cooperation under this Arrangement at any time with immediate effect, but should strive to provide at least thirty (30) days written notice thereof.

SIGNED in duplicate in Brussels, Belgium, this 23 day of June 2008, in the English and French languages, each version being equally authentic.

A handwritten signature in dark ink, consisting of a large, stylized 'A' followed by a series of loops and a long horizontal stroke extending to the right.

Alain Jolicoeur
President
Canada Border Services Agency

A handwritten signature in dark ink, featuring a stylized 'W' followed by 'Ralph' and 'Basham' in a cursive script, ending with a long horizontal stroke.

W. Ralph Basham
Commissioner
U.S. Customs and Border Protection